

SeniorCare Alternatives

Division of Health Care Financing
Committee-Identified Issues – May 4, 2005



Alternatives to SeniorCare

- DHFS has not developed a “Plan B” alternative to SeniorCare because we believe that CMS will allow SeniorCare to remain in existence at least through the expiration of the current waiver on June 30, 2007.
- SeniorCare remains a viable and clearly preferred alternative to Medicare Part D and may actually cost CMS less because of manufacturer rebates, Medicaid pricing, reasonable participant contributions and state GPR.



Alternatives to SeniorCare

- Because the plan designs to be offered by the Part D preferred drug plans (PDPs) are not yet known, it is too soon to develop an alternative to SeniorCare.
- Although the plan designs must be actuarially equivalent, they will vary significantly and there is no way of knowing what design the SeniorCare alternative would have to “wrap around”.



Alternatives to SeniorCare

- There may be substantial modifications to Medicare Part D benefits prior to the expiration of the SeniorCare Waiver in July 2007.
- A wrap around for current SeniorCare members would cost much more GPR.

